

DDA

## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM: Robert W. Magee  
Director of Personnel

EXTENSION

NO.

OCA 96 2981

DATE

27 August 1986

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. D/OCA  
7D43 Hqs.

9/2/86

for  
see

The attached are some anticipated questions we might get from HPSCI next week on the new secretarial system and use of Section 8. To ensure that we are all singing the same music, I suggest these questions serve as the focal point for our discussions on 2 September. Please feel free to add any questions you feel have not been covered here.

Robert W. Magee

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## HPSCI QUESTIONS FOR DCI

### Questions from ExDir

1. What is your objective?
2. Why use Section 8?
3. Are you creating new benefits for Agency employees?
4. Why is CIA doing this unilaterally as opposed to speaking for the Intelligence Community?

### Questions from OP

1. The rest of the Federal Government is being asked to reduce payroll costs and structure new programs on a cost-neutral basis. The Agency has already added a 9.6% premium for overseas service, is now adopting a new plan for its secretaries that will cost over \$1 million more than the GS for the same group, and now says that it needs a new pay system for all employees. How do you plan to constrain the costs of these programs, and what planning constraints are you placing on these programs to assure that you, and the Federal Government, can afford them?
2. The Office of Personnel Management is currently proposing a Civil Service Simplification Plan that seems to parallel very closely the direction you are taking. Why shouldn't you wait to see the final form of that program, and develop your programs in parallel with the rest of Government as you have since 1947?
3. Secretarial recruitment and retention has been a problem both within the private sector and the public sector. By comparison, the attrition rate you talk about in your letter is small. How do you justify spending additional money on this occupation at the expense of other occupations that are the bread and butter of the Agency? Even if you increase the level responsibility in these jobs as you project, how do you justify promotions to the new levels (and the increased payroll costs) before you know that the jobs are at the new levels? Furthermore, unlike your Office of Communications pay experiment, which is constrained in all respects by your budget, you have guaranteed annual pay increases to this occupation. If you continue this program, and adopt a pay-for-performance system constrained by budget for your line occupations, you may end up in a situation in which you will have to limit pay for other occupations, such as your case officers, to meet the payroll requirements of your secretaries. How do you reconcile this?
4. What are your objectives in undertaking a study of your pay and job evaluation system, and what are the problems you are encountering with the current system?
5. On what grounds do you use Section 8 to justify changing the personnel systems in the Agency?

6. Two years ago, you started an experiment in banding with the Office of Communications. What are the results of that experiment? Please be specific in terms of recruitment, retention rates, costs, pay for performance and the other grounds on which the program was initially undertaken.
7. What personnel problems do you now have or do you anticipate having which justify major change of the personnel system?
8. At the request of the administration the Congress is currently addressing the advisability of a banding type pay program for the entire government. Why can you not await the results of that legislation and adapt to the new system like everybody else in the intelligence community?
9. Why should Agency employees be paid differently or have their jobs classified differently than the other federal employees?
  - ° If we accept that the Operations Officers are different enough to justify special classification and pay by the nature of their work, explain why we should allow you to include the rest of the Agency under this argument?
  - ° Why can't the Agency continue as it has for years and follow the programs directed by OPM, especially since the CSSA (Civil Service Simplification Act) seems to be closer to reality for all federal workers?
  - ° The Agency has followed, for the most part, OPM policies and procedures since 1949 - describe the recent events which explain why the Agency can no longer effectively function applying the same guidelines and procedures.
10. How do you intend to create and administer a new pay system which is cost neutral?
  - ° What controls are you going to include in the new Agency wide program to ensure the cost neutral status of the new system?
  - ° The Agency has several current experiments with "pay banding" - are they currently cost neutral? If they are, please give us specifics - what is the average salary in the experiment compared to what it was before the experiment under the GS schedule.
  - ° How much more money are we spending on the Commo group than we were under the GS - has it proven worthwhile? - has there been a significant decrease in turnover or increased employee productivity and what more are we getting from Commo as a result of the increased costs.
11. Why are you trying to rush into this? Have you done a feasibility study to ensure that the cure is specific enough to cure what ails you? Has your Agency objectively evaluated the possibilities available under some of the new pay reform legislation now proposed.

12. Why should the Agency continue to be allowed to treat its' employees as exceptional - shouldn't a "unique" classification and pay system be cooperatively developed and applied to the entire Intelligence Community? As Director why don't you mandate the development of a uniform pay system for all Agencies in the Intelligence Community.
13. What justification exists for your special treatment of the secretaries within the Agency in the development of a special career program and pay schedule. Why are your secretaries any more valuable or special than those in my office or in the Department of Defense?
14. Mr. Casey, you have just briefed us on how unique the Central Intelligence Agency is. I am sure that if we would have the Director of any other Government agency come before this Committee, they, too, would describe how unique their Agencies are and would ask us to approve unique compensation and benefit plans for them. What other justifications can you give us that would cause us to concur that CIA deserves something more or different than any other Government agency?
15. Mr. Casey, time and time again we have asked you to consider the Intelligence Community as a whole. We have asked you to address problems with us as the Director of the Intelligence Community, not as the Director of the CIA. Yet, you continually come before this Committee discussing the CIA. You recently did the same thing with the SSCI. How do you explain your reluctance to discuss benefits in particular or any thing else in general for the entire Intelligence Community?
16. We have been advised that you have implemented a new plan for CIA secretaries that carries a high percentage of them above the GS-07 level, which most other secretaries in Government top out at after long periods of Government service. First, what makes secretaries in CIA so different than secretaries at other government agencies that you would raise their salary level so high? Secondly, you have often appeared before this Committee with analysts from the DI, imagery analysts, and others, in effect those officers who are the "bread and butter" of the Intelligence business. Why, therefore, in considering incentive plans would you concentrate on secretaries first rather than on your officer cadre?

To OCA

DCI/ICS 86-6082

25 AUG 1986

MEMORANDUM FOR: James Taylor  
Executive Director, Central Intelligence Agency

FROM: VADM E.A. Burkhalter, Jr., USN  
Director, Intelligence Community Staff

SUBJECT: Congressionally Directed Action from the House  
Permanent Select Committee on Intelligence

REFERENCE: HPSCI Classified Annex on FY 1987 NFIP Budget,  
BYE 1744-86/1, dated 31 July 1986 (DCI/ICS 6060-86)

1. The House Permanent Select Committee on Intelligence, on page 58 of its classified report on the FY 1987 budget (see attached excerpt), referenced the recent restructuring of CIA secretarial positions and rates of pay and asked that the DCI provide the Committee with "...additional justification distinguishing between CIA secretaries and those in other intelligence agencies and the general civil service."

2. The Committee has requested receipt of this information as soon as possible. In discussions with committee staff, we have been advised that the Committee will meet to consider this issue before the Congress adjourns on 3 October.

25X1 3. Please keep [redacted] of our Legislative Liaison  
25X1 Staff apprised on the status of your response, and feel free to call on them  
25X1 for any assistance that may be needed. They can be reached at [redacted]  
25X1 extension [redacted] secure.

[redacted]

 Vice Admiral, USN

Attachment:  
Excerpt from HPSCI Report

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